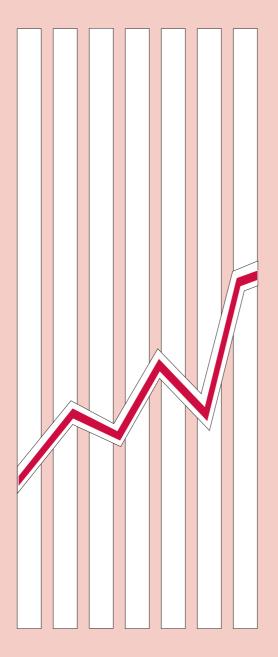
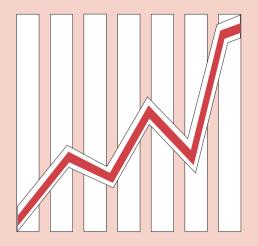


SURVEY of CURRENT BUSINESS



In This Issue . . .

Annual Revision of the NIPA's



SURVEY of **CURRENT BUSINESS**

SURVEY OF CURRENT BUSINESS (ISSN 0039-6222). Published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce. Editorial correspondence should be addressed to the Editor-in-Chief, Survey of Current Business, Bureau of Economic Analysis, U.S. Department of Commerce. Washington, DC 20230.

Subscriptions to the Survey of Current Business are maintained, and their prices set, by the Government Printing Office, an agency of the U.S. Congress. Postmaster: Send address changes to:

Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

The GPO order desk number is (202) 512-1800. The subscription complaint desk number is (202) 512-1806.

Subscription and single-copy prices:

Periodicals: \$39.00 domestic,

\$48.75 foreign.

First-class mail: \$88.00.

Single copy: \$14.00 domestic,

\$17.50 foreign.

Make checks payable to the Superintendent of Documents.

Periodicals postage paid at Washington, DC and at additional mailing offices. (USPS 337-790).

Secretary of Commerce The determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department.

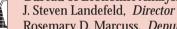
U.S. Department of Commerce

William M. Daley, Secretary



Economics and Statistics Administration Robert J. Shapiro, Under Secretary for Economic Affairs

Bureau of Economic Analysis



Rosemary D. Marcuss, Deputy Director

Robert P. Parker. Chief Statistician Hugh W. Knox, Associate Director for Regional Economics Brent R. Moulton, Associate Director for National Income. Expenditure, and Wealth Accounts Sumiye O. Okubo, Associate Director for Industry Accounts Gerald A. Pollack, Associate Director for International **Economics**

Editor-in-Chief Douglas R. Fox Managing Editor Eric B. Manning Manuscript Editor M. Gretchen Gibson Graphics Designer W. Ronnie Foster

Production Editors Ernestine T. Gladden, Laura A. Oppel

THIS ISSUE of the SURVEY went to the printer on August 12, 1998. It incorporates data from the following monthly BEA news releases:

U.S. International Trade in Goods and Services (July 17), Gross Domestic Product (July 31), and Personal Income and Outlays (August 3).

TABLE OF CONTENTS

Special in this issue

7 Annual Revision of the National Income and Product Accounts: Annual Estimates, 1995–97, and Quarterly Estimates, 1995:1–1998:1

The revised NIPA estimates show somewhat faster economic growth and a somewhat slower increase in prices than were shown by the previously published estimates. Over the period covered by the revisions, the average growth rate of real GDP was revised up 0.3 percentage point to 3.4 percent, and the average increase in the price index for gross domestic purchases was revised down 0.3 percentage point to 1.8 percent. Personal saving (and the personal saving rate) was revised down substantially, and undistributed corporate profits and the State and local government surplus or deficit were revised up substantially.

The annual revisions reflect the incorporation of regular source data and the introduction of the following major changes in methodology: A redefinition affecting dividends paid by regulated investment companies (mutual funds); new source data for several types of consumer services; geometric-meantype consumer price indexes for deflation of detailed components of personal consumption expenditures (PCE); and several new price measures—primarily producer price indexes and international price indexes—for deflation of PCE, fixed investment, exports and imports, and government spending.

Regular features

1 Business Situation

Real GDP increased 1.4 percent in the second quarter of 1998 after increasing 5.5 percent in the first quarter; the deceleration was primarily accounted for by a sharp downturn in inventory investment and by a slowdown in investment in producers' durable equipment. The price index for gross domestic purchases increased 0.4 percent in the second quarter after decreasing 0.2 percent in the first.

167 Personal Income by State and Region, First Quarter 1998

Personal income in the Nation increased \$112.0 billion, or 1.6 percent, in the first quarter of 1998; the largest increase was in the Southeast region, which accounted for 25 percent of the growth. By State, the fastest growth in personal income was in Alaska, South Carolina, Massachusetts, Colorado, and Arizona. The slowest growth was in North Dakota, Delaware, Vermont, and Arkansas.

Reports and statistical presentations

- 36 National Income and Product Accounts Tables
- 119 Annual NIPA Revision: Revised Estimates for 1982–94
- 147 GDP and Other Major NIPA Series, 1929-97
- D-1 BEA Current and Historical Data

National Data:

- D-3 Domestic Perspectives
- D-5 Charts

International Data:

- D-7 Transactions Tables
- D-13 Investment Tables
- D–18 International Perspectives
- D-20 Charts

Regional Data:

- D-21 State and Regional Tables
- D-25 Local Area Table
- D-27 Charts

Appendixes:

- D-29 Appendix A: Additional Information About BEA'S NIPA Estimates
- D-31 Appendix B: Suggested Reading

Inside back cover: BEA Information

(A listing of recent BEA publications available from GPO)

Back cover: Schedule of Upcoming BEA News Releases